

APPENDIX 1
Kittiwake Project Manager Letter



GOVERNMENT ADMINISTRATION BUILDING
GRAND CAYMAN, CAYMAN ISLANDS
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Cayman Islands Government

**Ministry of
Tourism, Environment, Investment & Commerce**

3 October 2008

Via: Email & Federal Express

Department of Transportation

Maritime Administration

Ship Disposal Program Office (MAR 610.3) Room 2122

Attn: Zoe Goss

400 Seventh Street S.W.

Washington, DC 20590

reef@marad.dot.gov

Dear Ms. Goss;

RE: Agent/Project Manager for the Kittiwake Project

On behalf of the Cayman Islands Ministry of Tourism, Environment, Investment and Commerce, we would like to extend our sincere appreciation to the US Maritime Administration (MARAD) for selecting the Cayman Islands as the pilot project for the donation of a ship for the purposes of artificial reefing to a foreign government. We have supported, both conceptually and financially, the initiative that the Cayman Islands Tourism Association (CITA) has brought forward and believe that it will have a positive impact on our country in the tourism sector.

The Cayman Islands Cabinet recently authorized the Ministry of Tourism to enter into detailed negotiations with the US Transportation Department Maritime Administration (MARAD) in order to agree on terms for a Certificate of Transfer which will formalize the transfer of ownership of the USS Kittiwake from the United States Government to the Cayman Islands Government.

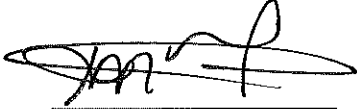
We have subsequently authorized Mr. Wayde Bardswell, Crown Counsel in our Legal Department to handle all direct negotiations with MARAD on the Certificate of Transfer. We are also aware that Mr. Bardswell has already begun the process of working directly with your Attorney Advisor to complete the Certificate of Transfer.

However, as we seek to complete this project by year's end, the CITA will continue manage on a day to day basis the follow-up on any other outstanding matters outside of the scope of these legal negotiations. We are therefore pleased to confirm that Ms. Nancy Easterbrook, who continues to serve as the CITA's Project Manager for the Kittiwake Project, is authorized for the matters that fall outside of the legal

negotiations, to remain a co-liaison in addition to the Ministry's project lead, Mr. Samuel Rose, Deputy Permanent Secretary with responsibility for the subject of the Environment.

Once again, we thank you for your continued assistance and support of our involvement in your "Ships to Reef" Program. Should you have any questions or need any further clarification, please do not hesitate to contact me.

Sincerely

A handwritten signature in black ink, appearing to read 'Gloria McField-Nixon', written over a horizontal line.

Gloria McField-Nixon

Permanent Secretary and Chief Officer

CC: Honourable Charles E. Clifford JP, Minister of Tourism, Environment, Investment and Commerce
Mr. Steve Broadbelt, President of the Cayman Islands Tourism Association
Ms. Nancy Easterbrook, Project Manager, Kittiwake Project